

REVISED RULES AND REGULATIONS

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The within Rules and Regulations have been adopted by the Washington State Liquor Control Board; the revisions thereof becoming effective October 1, 1935.

Amendments and new Rules and Regulations are indicated by underlining (in the printed form, by italics).

WASHINGTON STATE LIQUOR CONTROL BOARD

By

*R. E. Murphy*  
Chairman

ATTEST:

*Jay Connelley*  
Secretary

APPROVED:

*J. B. [Signature]*  
Asst. Attorney General

<b>DEFENDANT'S EXHIBIT</b>
CASE NO. C04-0360P
EXHIBIT NO. 414



*Original delivered to Secretary of  
State on October 14, 1935.*

A. RETAIL BEER AND/OR WINE DISPENSARIES

(1) The issuance of any license by the Board shall not be construed as granting a vested right in any of the privileges so conferred and a misrepresentation of fact found to have been made by the applicant shall be deemed a lack of good faith and shall constitute good and sufficient cause for the disapproval of such application or the revocation or suspension of said license by the Board.

(2) No beer or wine shall be sold, offered for sale or consumed upon any licensed premises upon the day of any general, special or primary election of any state, county or municipal officers within the state, district, county or corporation in which said election is held, during the hours the polls are open, or upon any day between the hours of one o'clock a.m. and six o'clock a.m., provided, however, that any municipality may fix earlier closing hours or prohibit Sunday operations.

(3) No person shall give or otherwise supply liquor to any person under the age of 21 years; or to any person apparently under the influence of liquor; or to any interdicted person (habitual drunkard); or to any Indian who is a ward of the Government; nor shall any licensee or employee of any licensee, permit any person under said age or in said condition or classification to consume liquor on his premises, or on any premises under his control, except where liquor is administered to such person by his physician or dentist for medicinal purposes.

(4) No licensee shall permit any disorderly, boisterous or intoxicated person, to be in or upon his licensed premises, or allow profane or vulgar language, or other disorderly, indecent, or boisterous conduct thereon. The possession or distribution by licensees or their employees or agents of suggestive advertising cards or indecent or obscene advertising matter is hereby prohibited.

(5) In conformance with the Industrial Welfare Act, Section 7627 of Remington's Revised Statutes, no person under the age of 18 years shall be employed in any service in connection with the sale, handling

consumed in places of public exhibition, such as fairs, picnics, and the like, after permission of Board first obtained. Curb service is hereby prohibited. (Effective January 1, 1935.)

(20) It shall be unlawful for any retail licensee, his employee and/or agent, except bona fide clubs licensed to dispense beer and/or wine, to have, keep or possess, in or upon the licensed premises, any liquor other than that permitted by his license.

(21) In the event of the incapacity, death, receivership or bankruptcy of any licensee, his guardian, executor, administrator, receiver, or trustee in bankruptcy, may, upon written authority from the Board, continue the business of the licensee on the licensed premises for the duration of the license, unless sooner terminated.

(22) No retail licensee shall solicit, receive or accept from any manufacturer, distributor or beer wholesaler, gifts, discounts, loans of money, premiums, rebates, free beer, "treats," property of any value whatsoever or services of any nature.

(23) No retail dispenser shall refill a jug, bottle or other container with unpasteurized beer while such jug, bottle or other container bears the label or name of any brand of beer or of any brewer, wholesaler or bottler. No retail dispenser shall fill or refill a jug, bottle or other container with wine, for sale for consumption off the premises.

(24) Upon denial of an application for license, the fee tendered therewith shall be returned. When a license is suspended or cancelled, or the licensed business is discontinued, no refund of the license fee shall be made. Upon discontinuance of business by a licensee, he shall forthwith deliver up his license to the Board. Where application for a new license is made by a purchaser or successor to premises then licensed, the purchaser or successor may, on written permission from the Board, continue the business until action upon the application is taken.

(25) All retail licensees shall have on licensed premises at

B. BREWERS AND BEER WHOLESALERS

(1) The issuance of any license by the Washington State Liquor Control Board shall not be construed as granting a vested right in any of the privileges so conferred and any misrepresentation of fact in the application for such license, or in the monthly reports of the licensee to the Board, shall be deemed a lack of good faith and shall constitute good and sufficient cause for the disapproval of such application or the revocation or suspension of said license by the Board.

(2) No license privileges shall be transferred or sublet, and in case of sale or transfer of the business in connection with which the licensed activities are conducted, the license holder or purchaser shall immediately submit to the Board a statement under oath showing the name and address of the purchaser and any other person directly or indirectly interested in the enterprise. If the licensee is a corporation, any sale, pledge or other disposition of its corporate stock which results in transferring the control and management of the business of the corporation shall terminate its license. If the licensee is a partnership, the sale of a partnership interest shall be deemed to be a sale or transfer of the business.

(3) Upon the loss or destruction of a license, a duplicate thereof may be issued upon furnishing affidavit of such loss or destruction, or upon such other evidence as may be required by the Board. Fee for such duplicate license shall be \$5.00.

(4) The Board shall first be notified and its consent given in writing before any license shall apply to any other location than the licensed premises. Fee for change of licensed location, \$10.00.

receipt of such notice, shall notify the licensee that it disapproves such new or additional manager, such change in management shall not thereafter be effective as to the license privileges.

(6) In the event the business conducted is a corporation, an additional statement may be required by the Board showing the name and address of each stockholder and the amount of stock held by each. In the event of any change in the officers or directors of said corporation, it will immediately notify the Board of such change.

(7) Authorized officials and inspectors of the Board may at any time take for the purpose of analysis a sample of any beer manufactured, or of any beer offered for sale at the warehouse or place of business of a manufacturer, distributor, beer wholesaler or retailer.

(8) No person shall barter, sell, give away or in any manner dispose of any intoxicating liquors, on the day of any general, special or primary election of state, county or municipal officers, during the hours the polls are open.

(9) No manufacturer, distributor or beer wholesaler or any representative thereof, shall aid or assist any retail licensee by gifts, discounts, loans of money, or property of any description or services of any nature or other things of substantial or nominal value or by the giving of premiums or rebates or by "treating" and it shall be unlawful for any retail licensee to accept same.

(10) All regulations of the Federal Government relating to brewers and beer wholesalers which are now in effect or which may hereafter be adopted, are hereby made, by reference, rules and regulations of this Board in so far as they are consistent herewith.

(11) No manufacturer, distributor or wholesaler may furnish, rent, lend or sell any equipment, fixtures or supplies, directly or indirectly, or through a subsidiary or affiliate or by any officer, director

deemed to have a financial interest in such retail establishment within the meaning of Section 90 of the Washington State Liquor Act.

(32) The Board may, in its discretion, sell or otherwise dispose of seized or confiscated liquor.

(33) In the event of the incapacity, death, receivership, or bankruptcy of any licensee, his guardian, executor, administrator, receiver, or trustee in bankruptcy, may, upon written authority from the Board, continue the business of the licensee on the licensed premises for the duration of the license, unless sooner terminated.

(34) Every brewer and beer wholesaler shall post and keep posted with the Washington State Liquor Control Board at its office in Olympia, Washington, a price list which shall be uniform for the same class of trade buyers in any trade area within the State and shall set forth (a) all the brands and types of products offered for sale by such brewer or beer wholesaler, (b) the sale price thereof to various classes of trade buyers for distribution or resale within the State of Washington, and (c) all other terms of sale of such products.

After the initial price posting, no subsequent price posting shall become effective until ten days after filing with the Board provided, however, that if the price posted is not lower than the lowest price in effect in the trade area at the time of such posting it shall become effective immediately.

All posting shall at all times be open to inspection to all trade buyers within the State of Washington and shall not in any sense be considered confidential.

Any brewer or beer wholesaler who shall sell any such product to any licensee at a price different from his posted price applicable to such trade buyer shall be deemed to have violated section 90 of chapter 62 of the Laws of the Extraordinary Session of 1933, as amended by section 14 of chapter 174 of the Laws of 1935.

Initial price postings must be filed with the Washington State Liquor Control Board at Olympia not later than August 1st, 1935.

F. ADVERTISING

(1) The passing of money or other valuable consideration by a manufacturer, distributor or beer wholesaler to a retailer, directly or indirectly, for advertising space in or upon the property of the said retailer is hereby prohibited; likewise the passing of money or other valuable consideration by a manufacturer, distributor or beer wholesaler, directly or indirectly, to any person, to pay in whole or in part for advertising of any nature on behalf of a retailer or from which a retailer may or will derive any advertising benefits, or which bears the name or address or other description of a retailer, is hereby prohibited; nor shall the name of a retailer appear in or as part of or supplementary to the advertising of a manufacturer, distributor or beer wholesaler, nor shall the name of a manufacturer, distributor or beer wholesaler appear in any retailer's advertisement.

(2) No signs or other matter advertising alcoholic beverages or any brands thereof, or using the words "bar," "barroom," "saloon" or words of like or similar import, shall be erected or placed upon the outside of any building in which alcoholic beverages are licensed to be sold at retail, or in close proximity thereto, and no advertisement whatsoever shall contain the words, "bar," "barroom," "saloon" or words of like or similar import.

(3) Signs or other advertising matter within the licensed premises of the retailer shall not be of an obnoxious, gaudy, blatant or offensive nature and shall in no manner obstruct the view of the interior of the premises from the street, and shall be limited to illuminated or unilluminated signs of not to exceed in area 650 square inches and no one dimension to exceed 42 inches. In no case shall any sign or other advertising matter obstruct more than one-third of the total area of a display window. Any sign so displayed shall be paid for by the retail licensee; Provided, however, A manufacturer, distributor or beer wholesaler may furnish to retail dispensers a copyrighted

sign, not exceeding the area and dimensions herein prescribed, bearing only the name of the manufacturer, distributor or beer wholesaler and/or the trade or copyrighted name or brand of the product.

(4) Any sign heretofore erected not conforming with these regulations shall be made to conform thereto or shall be removed forthwith.

(5) The rules and regulations of the Federal Government with respect to advertising of alcoholic beverages now in effect or hereafter promulgated are hereby adopted by reference as the rules and regulations of the Washington State Liquor Control Board in so far as they are consistent herewith.

(6) No advertisement for the sale of alcoholic beverages shall use any code number, insignia or other device that may be in use by the Washington State Liquor Control Board, nor shall any such advertisement refer in any way to the Washington State Liquor Control Board, its stores or agencies.

N.B. The Board gave serious consideration to the adoption of regulations further restricting advertising of alcoholic beverages. Extensive hearings and study made it apparent that the regulations contemplated by the Board were discriminatory as to certain methods of advertising. The jurisdiction of the Board being restricted to the state, it is without power to regulate advertising media such as radio and magazines coming from without the state.

In lieu of these regulations the Board has sought to impress upon advertising agencies the necessity for propriety and moderation in advertising alcoholic beverages. These agencies have indicated their desire to exercise such control through self-imposed regulations. The Board is giving them an opportunity to do this and, therefore, has not made regulations but contemplates the issuance of recommendations relating to the nature and character of advertising which may act as a guide for these advertising media.

These recommendations will be prepared and sent to the various advertising media.

I. DOMESTIC WINERIES

(1) No "domestic winery" license shall be issued except to those manufacturers or producers whose wines are produced exclusively and entirely from fruits or fruit products grown within the State of Washington.

(2) No "domestic winery" license shall be issued to any person, firm or corporation holding a (commercial) winery license.

(3) No "domestic winery" license shall be issued to any person, firm or corporation holding any retail beer and/or wine license.

(4) Every package--and by package is meant bottle--sold by a domestic winery shall bear a tax stamp, which stamp shall be affixed to the bottle, on the shoulder thereof, directly above the manufacturer's label. Such stamps will be issued in the following denominations:

one-tenth gallon

one-eighth gallon

one-fifth gallon

one-fourth gallon

one-half gallon

one gallon

(5) Stamps will be supplied in sheets of 100 of each denomination, and no lesser number than one full sheet will be sold by this Board. The cost per sheet will be as follows:

<u>one-tenth gallon denomination</u>	<u>\$1.00</u>
<u>one-eighth gallon denomination</u>	<u>1.25</u>
<u>one-fifth gallon denomination</u>	<u>2.00</u>
<u>one-fourth gallon denomination</u>	<u>2.50</u>
<u>one-half gallon denomination</u>	<u>5.00</u>
<u>one gallon denomination</u>	<u>10.00</u>

(6) Every tax stamp is to be cancelled by the winery when it is placed on the bottle, such cancellation to take the form of the date the stamp is affixed (a small rubber stamp dater may be used).

(7) In addition to affixing the tax stamp, wineries will be required to place the Washington State Liquor Control Board seal over the cork of each package, and such seals will be furnished when stamps are purchased, in an equal number to the stamps purchased.

(8) Every bottle of wine shall bear a distinctive label, which label shall show:

The nature of the content of the bottle.

Name of the person by whom the wine is manufactured.

The place where the wine is manufactured.

The maximum alcohol content of such wine.

Whether such wine is fortified or unfortified.

A statement that the wine is produced exclusively and entirely from products grown in the State of Washington.

This latter statement may be placed on a separate sticker to be affixed to the bottle either directly above or below the principal label.

(9) No bottles shall be used that do not conform in capacity to those set forth above.

(10) Within ten days after the close of each calendar month each domestic winery shall furnish the Board with a statement of production, stock on hand at the beginning and close of the month, and report of sales during the month. Such report of sales shall set forth the number of each size container and the kind of wine, but it will not be necessary to give in detail the names of purchasers unless from time to time this Board requests such information.

(11) A sales slip giving the name and address of the purchaser and showing in detail the number of packages sold together with the size of each such package must be furnished to the purchaser for each and every sale made, the original of which must be retained and kept by the domestic winery for at least six months after such sale.

(12) All laws and rules and regulations of the Federal Government, or any subsequent modifications thereof, not inconsistent with the provisions of the Washington State Liquor Act or the Rules and Regula-

tions thereunder, are by reference hereby adopted and promulgated as the Rules and Regulations of this Board.

(13) Domestic wineries are permitted to appoint agents for the sale, distribution or storage of wine subject to the following conditions:

- (a) Only regularly licensed beer wholesalers may act as such agents.
- (b) All appointments of agents for wine sales, distribution or storage must be first approved by the Board.
- (c) Any licensed beer wholesaler desiring to act as agent for a domestic winery must furnish to the Washington State Liquor Control Board a bond in the penal sum of One Thousand Dollars (\$1,000.00) in form prescribed by the Board, conditioned upon faithful performance and compliance with the provisions of the Washington State Liquor Act and the Rules and Regulations thereunder.

(14) Title to all wine must remain in the winery until sold by the agent to a licensed retailer. The sale of wine to a beer wholesaler or to anyone other than a retail licensee is prohibited whether such sale be by consignment or otherwise.

(15) All wine sold by the agent shall be sold in the name and on behalf of the winery.

(16) The agent shall receive compensation by way of salary or commission only.

(17) No shipments of wine shall be accepted or stored by an agent except in original packages. Bottling by agents is prohibited.

(18) Each agent shall keep monthly accounts and records showing all wine received from the domestic winery, the sales made to retail licensees and the amount of wine remaining on hand at the end of each month. The records shall also show from whom the wine was received and to whom the same was sold.

(19) Nothing in these regulations shall apply to or prevent a domestic winery from employing its own salesman who may solicit sales of wine direct from the winery.